

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA

DOCKET NO. 2000-210-W/S - ORDER NO. 2002-494

JULY 2, 2002

IN RE:	Application of United Utility Companies, Inc.	)	ORDER APPROVING
	for an Increase in Rates and Charges for	)	BOND PURSUANT TO
	Provision of Water and Sewer Service	)	S.C. CODE ANN.
	Provided to its Service Areas in South	)	SECTION 58-5-240(D)
	Carolina.	)	

This matter comes before the Public Service Commission of South Carolina ("Commission") on the request of United Utility Companies, Inc. ("UUC") for approval of a bond under S.C. Code Ann. Section 58-5-240(D) (Supp. 2001). For the reasons set forth below, the Commission approves a bond for UUC in the amount of \$389,736.00.

On September 24, 2001, UUC filed with the Commission an Application seeking approval of a new schedule of rates and charges for water and sewer service that UUC provides to its customers within its authorized service areas in South Carolina. Following a hearing on the Application, the Commission issued its Order No. 2002-214, dated March 22, 2002, which granted UUC a partial increase in the rates and charges sought by the Application. Thereafter, UUC timely filed a Petition for Rehearing or Reconsideration of Commission Order No. 2002-214. The Commission denied UUC's Petition for Rehearing or Reconsideration and a formal order on the denial of UUC's Petition for Rehearing or Reconsideration is being prepared. Also by its Petition for Rehearing or Reconsideration, UUC sought, in the event that its Petition was denied,

establishment of a bond pursuant to S.C. Code Ann. Section 58-5-240(D) (Supp. 2001) so that UUC could place additional requested rates into effect under bond during appeal of the case.

S.C. Code Ann. Section 58-5-240(D) (Supp. 2001) provides in relevant part

If the Commission rules and issues its order within the time aforesaid, and the utility shall appeal from the order, by filing with the Commission a petition for rehearing, the utility may put the rates requested in its schedule into effect under bond only during the appeal and until final disposition of the case. Such bond must be in a reasonable amount approved by the Commission, with sureties approved by the Commission, conditioned upon the refund, in a manner to be prescribed by order of the Commission, to the persons, corporations, or municipalities, respectively, entitled to the amount of the excess, if the rate or rates put into effect are finally determined to be excessive; or there may be substituted for the bond other arrangements satisfactory to the Commission for the protection of parties interested. During any period in which a utility shall charge increased rates under bond, it shall provide records or other evidence of payments made by its subscribers or patrons under the rate or rates which the utility has put into operation in excess of the rate or rates in effect immediately prior to the filing of the schedule. ...

Thus, pursuant to S.C. Code Ann. Section 58-5-240(D)(Supp. 2001), a utility which appeals from an order of the Commission in a rate case is entitled to place the requested rates into effect under bond of a reasonable amount with Commission approved sureties. However, any excess of the rates placed into effect under bond are subject to refund if the rates placed into effect under bond are determined on the appeal to be excessive.

UUC has proposed a bond in the amount of \$389,736.00. UUC states that this amount of bond will permit UUC to place into effect rates of the bond initially approved by the Commission (\$50,000.00), plus an amount equivalent to the remaining two phases of the rate relief authorized by Order No. 2002-214 (\$100,000), and the additional amount sought in UUC's Petition for Rehearing or Reconsideration (\$94,868.00) over a two year period. The Commission finds the amount of bond proposed by UUC to be a reasonable amount for the bond permitted under S.C. Code Ann. Section 58-5-240(D)(Supp. 2001).

Therefore, upon consideration of the request of UUC for approval of a bond under S.C. Code Ann. Section 58-5-240(D) (Supp. 2001), the Commission makes the following findings of fact:

1. S.C. Code Ann. Section 58-5-240(D)(Supp. 2001) allows a utility which appeals from an order of the Commission in a rate case to place the requested rates into effect under bond of a reasonable amount approved by the Commission.

2. The Commission finds that the bond amount of \$389,736.00 proposed by UUC is a reasonable amount for the bond, as this amount will allow UUC to place into effect the rates approved by Order No. 2002-214 and the additional amount sought in UUC's Petition for Rehearing or Reconsideration over a two year period.

3. The Commission finds the proposed bond form attached to UUC's Petition for Rehearing or Reconsideration to be reasonable and further finds that the proposed bond form to be sufficient for use by UUC. The proposed bond form provides for refunds

of amounts collected in excess of the amounts finally approved on appeal as required by S.C. Code Ann. Section 58-5-240(D) (Supp. 2001).

IT IS THEREFORE ORDERED THAT:


1. In the matter of UUC's rate case as contained in Commission Docket No. 2000-210-W/S, UUC is permitted to place rates into effect under bond as allowed by S.C. Code Ann. Section 58-5-240(D) (Supp. 2001), and a reasonable amount of bond for rates placed into effect under bond in the instant matter is \$389,736.00.

2. The proposed bond form submitted by UUC is an appropriate bond form for UUC to use in the instant matter.

3. UUC shall maintain records or other evidence of payments made by its customers under the rates in effect under bond as required by S.C. Code Ann. Section 58-5-240(D)(Supp. 2001).

4. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)